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C O N F I D E N T I A L SECTION 01 OF 02 TEGUCIGALPA 001497

SIPDIS

DEPT. FOR WHA, WHA/CEN, INL/LP, AND CA

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TAGS: [SNAR](#) [PREL](#) [PGOV](#) [KCRM](#) [KJUS](#) [SMIG](#) [CVIS](#) [HO](#)

SUBJECT: HONDURAN PARLACEN CONGRESSMAN BUSTED ON DRUG
CHARGES IN NICARAGUA CLAIMS IMMUNITY

REF: A. 02 TEGUCIGALPA 2549

[B](#). 02 PANAMA 3031 (NOTAL)

Classified By: Political Chief Francisco L. Palmieri;
Reasons 1.5 (b) and (d).

[1](#). (U) SUMMARY: On Friday June 20, a Honduran representative to the Central American Parliament (PARLACEN), Cesar Augusto Diaz Flores, was arrested in Nicaragua for trafficking and possession of seven kilos of heroin (said to be worth some USD 6.3 million and a portion of a larger 20-kilo shipment from the same source). With details still developing in this case, many questions are being raised about high-level government officials meddling in illicit activities and the use of legislative immunity by congressmen. END SUMMARY.

Claiming Immunity After Being Caught Red-Handed

[2](#). (U) According to press reports and Honduran contacts, on Friday, June 20, a Honduran representative to the Central American Parliament (PARLACEN), Cesar Augusto Diaz Flores, was arrested in Nicaragua for trafficking and possession of seven kilos of heroin (said to be worth approximately USD 6.3 million and part of a 20-kilo shipment from the same source).

At approximately 7:30 PM, Diaz was stopped just inside the Costa Rican border for a standard vehicle check. He was traveling with three other companions in a gray Hyundai SUV with diplomatic plates CD 044 (and an anti-corruption bumper sticker). When asked by the Costa Rican patrol for proof of vehicle registration, Diaz reportedly became agitated and explained that he had diplomatic plates and need not be bothered with the inspection. After some further bantering, Diaz then wielded a .45 caliber pistol and fired two shots outside of the vehicle. No one was hurt in the shooting incident. He then turned his vehicle around and sped over the border into Nicaragua, breaking through a security barrier in the process. He was then detained by Nicaraguan authorities and the vehicle searched. The search turned up a small suitcase which held seven kilos of heroin. Furthermore, the three companions (2 Chinese and 1 Guatemalan who were later released) were unable to produce proper documentation and it is now believed that Diaz may have been involved with alien smuggling. Diaz has since maintained his innocence on all charges brought against him. He is claiming immunity from prosecution based on his status as a Honduran member of the PARLACEN.

Growing Nexus between Political Elites and Organized Crime

[3](#). (SBU) Cesar Augusto Diaz Flores is a leading political figure in his native Sabana Grande, which is in the Department of Francisco Morazan just 30 minutes south of the capital. He is a member of the Liberal Party and served two terms in the Honduran Congress from 1990-1994 and again from 1994-1998. His political endorsement was actively being sought by practically all of the possible candidates seeking the Liberal Party presidential nomination because of his popularity with the voters in southern Francisco Morazan department. He has a reputation of generosity and assistance to people in need. He is currently serving a 2002-2007 term as 1 of 20 Honduran Congressman with the Central American Parliament, with offices located in Guatemala. (Note: PARLACEN membership is widely sought by Honduran political leaders because of its perceived broader regional legislative immunity. Former President Rafael Callejas is a PARLACEN member. End Note.)

[4](#). (C) According to Embassy sources, Diaz is connected with a well-known cartel involved with arms and drug trafficking. More specifically, the Costa Rican Ministry of Security claims that Diaz works directly with known Colombian traffickers Delgado Orozco and Vazquez Salazar. Costa Rican authorities claim to have intelligence that puts Diaz at the heart of some recent drug activities in Costa Rica, just north of the capital city of San Jose. Concurrently, Diaz has been tied to a large stolen vehicle scam that imported stolen vehicles from the U.S. for resale in Honduras. Diaz is known by EmbOff to be close friends with Wilfredo Alvarado, the Honduran Consul General in San Jose and a

former head of the DLCN (the counternarcotics directorate) and former special assistant to Attorney General Roy Medina (another Liberal Party politician). Post previously suspected a possible connection, but had no proof, between Alvarado and Diaz in the sale of Honduran citizenship for purposes of smuggling aliens illegally to the United States. 15. (SBU) Diaz's case is similar in many respects to the September 9, 2002 arrest of Ricardo Antonio Pena, a former Nationalist Party member of the Honduran National Congress, who also was traveling on a diplomatic passport and was attempting to smuggle four kilos of heroin from Panama to Costa Rica. His U.S. nonimmigrant visa has since been revoked by the Consular Section (ref A). (Note: Press reports in 1999 alleged that Pena was linked to the contraband trade in coffee. End Note.)

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Immunity or Impunity - When is Enough, Enough?
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16. (C) COMMENT: Diaz's arrest comes at a time when the involvement of public figures of various sectors of the Honduran government and political class in illicit activities has come under intense media scrutiny and speculation. His criminal activity is yet another strong piece of evidence in the growing indictment against Honduras's political and economic elite. It appears to be another case of the outright purchase of power and corrupt use of official status to carry out criminal activities. His invocation of parliamentary immunity in order to cover up exposed criminal actions reveals the extent to which these powerful Honduran political figures believe they are above the law. It also raises the question of when enough is enough in regards to immunity claims by Honduran members of the National Congress and the PARLACEN.

17. (C) COMMENT CONTINUED: The Embassy has already received credible reports from local sources that members of the Liberal Party have begun an effort to press on behalf of Diaz's claim to immunity from Nicaraguan prosecution and incredibly to suggest that charges be brought against the police agents that executed the search against him. Nonetheless, Foreign Minister Guillermo Perez-Cadalso declared to the media that the government will provide only normal consular services and will await action by the PARLACEN on any immunity claim by Diaz. MFA Director General for Foreign Policy Mario Fortin told PolOffs June 25 that the GOH had no plans to protect Diaz or any other corrupt officials claiming immunity. However, Post believes there are intense efforts under way by Diaz's supporters to force PARLACEN to act in support of Diaz's immunity claim.

18. (C) COMMENT CONTINUED: Honduran President Ricardo Maduro and President of Congress Pepe Lobo are calling for immediate immunity reforms. According to these two leaders, no one should be above the law and that it is now long-past time to bring a stop to the ease with which people escape prosecution on grounds of immunity. Despite these public declarations, the jury remains out on whether or not Diaz will be made an example of, or if he will escape punishment like so many before him. What is obvious is that this is not simply a Honduran problem, but one with which the entire Central America region will have to deal. Sadly, we do not expect Honduras or its top political figures to lead the effort to reform this ongoing abuse of legislative immunity. END COMMENT.
Palmer